

**ND TEACHERS FUND FOR RETIREMENT
INVESTMENT PERFORMANCE REPORT AS OF JANUARY 31, 2007**

	January-07				December-06				September-06				Current Fiscal YTD	Prior Year FY06	3 Years Ended 6/30/2006	5 Years Ended 6/30/2006
	Market Value	Allocation Actual	Policy	Month Net ROR	Market Value	Allocation Actual	Policy	Quarter Net ROR	Market Value	Allocation Actual	Policy	Quarter Net ROR	Net ROR	Net ROR	Net	Net
LARGE CAP DOMESTIC EQUITY																
Structured Growth																
LA Capital	79,553,456	4.2%	4.2%	3.33%	78,834,289	4.2%	4.2%	7.70%	73,859,973	4.2%	4.2%	1.81%	13.30%	11.88%	N/A	N/A
Total Structured Growth	79,553,456	4.2%	4.2%	3.33%	78,834,289	4.2%	4.2%	7.70%	73,859,973	4.2%	4.2%	1.81%	13.30%	11.88%	12.99%	0.19%
Russell 1000 Growth				2.57%				5.93%				3.94%	12.93%	6.12%	8.34%	-0.77%
Structured Value																
LSV	79,976,696	4.2%	4.2%	2.02%	80,328,939	4.3%	4.2%	8.13%	75,781,744	4.3%	4.2%	4.48%	15.25%	15.93%	21.06%	12.29%
Russell 1000 Value				1.28%				8.00%				6.22%	16.19%	12.10%	15.70%	6.89%
Enhanced Russell 1000 Index																
LA Capital	73,726,424	3.9%	3.9%	1.37%	75,544,344	4.1%	3.9%	7.80%	70,714,973	4.0%	3.9%	3.51%	13.11%	12.49%	12.73%	3.75%
Russell 1000				1.93%				6.95%				5.06%	14.53%	9.08%	12.05%	3.12%
Enhanced S&P 500 Index																
Northern Trust	74,006,020	3.9%	3.9%	1.68%	76,087,345	4.1%	3.9%	6.42%	72,163,906	4.1%	3.9%	6.56%	15.31%	9.33%	11.32%	2.81%
Westridge	87,030,588	4.6%	4.2%	1.55%	85,369,546	4.6%	4.2%	6.86%	80,688,611	4.6%	4.2%	5.68%	14.69%	8.80%	11.46%	2.80%
Wells Capital	54,127,394	2.9%	2.8%	3.29%	52,239,168	2.8%	2.8%	13.95%	46,137,325	2.6%	2.8%	1.21%	19.13%	N/A	N/A	N/A
Franklin	51,844,007	2.7%	2.8%	1.49%	50,850,528	2.7%	2.8%	5.52%	48,512,118	2.8%	2.8%	N/A	N/A	N/A	N/A	N/A
Total Enhanced S&P 500 Index	267,008,009	11.4%	10.9%	1.92%	264,546,588	11.5%	10.9%	7.79%	247,501,961	11.4%	10.9%	5.15%	15.52%	8.58%	11.40%	2.76%
S&P 500				1.51%				6.70%				5.67%	14.45%	8.63%	11.22%	2.49%
S&P 500 Index																
State Street	35,240,218	1.9%	2.0%	1.98%	34,426,761	1.9%	2.0%	8.05%	32,160,003	1.8%	2.0%	5.79%	16.57%	9.62%	11.55%	2.70%
S&P 500				1.51%				6.70%				5.67%	14.45%	8.63%	11.22%	2.49%
TOTAL LARGE CAP DOMESTIC EQUITY	535,504,803	28.3%	28.0%	2.07%	533,680,921	28.7%	28.0%	7.85%	500,018,655	28.6%	28.0%	4.32%	14.83%	10.93%	13.21%	3.86%
S&P 500				1.51%				6.70%				5.67%	14.45%	8.63%	11.22%	2.49%
SMALL CAP DOMESTIC EQUITY																
Manager-of-Managers																
SEI	136,952,684	7.2%	7.2%	1.61%	135,136,424	7.3%	7.2%	8.85%	127,273,776	7.3%	7.2%	-0.01%	10.59%	13.56%	18.31%	8.00%
Russell 2000 + 200bp				1.84%				9.43%				0.94%	12.50%	16.86%	21.06%	10.71%
Callan	54,473,957	2.9%	2.8%	2.57%	53,116,978	2.9%	2.8%	8.45%	49,407,572	2.8%	2.8%	-0.91%	10.22%	N/A	N/A	N/A
Russell 2000				1.67%				8.90%				0.44%	11.21%			
TOTAL SMALL CAP DOMESTIC EQUITY	191,426,641	10.1%	10.0%	1.88%	188,253,402	10.1%	10.0%	8.74%	176,681,347	10.1%	10.0%	-0.27%	10.49%	13.40%	18.25%	7.97%
Russell 2000				1.67%				8.90%				0.44%	11.21%	14.58%	18.70%	8.50%
INTERNATIONAL EQUITY																
Large Cap - Core																
State Street	35,408,050	1.9%	1.8%	0.38%	35,261,123	1.9%	1.8%	11.53%	31,628,832	1.8%	1.8%	3.40%	15.76%	27.85%	20.61%	6.87%
MSCI EAFE (1)				0.68%				10.35%				3.93%	15.46%	26.56%	20.76%	5.94%
Large Cap - Active																
Capital Guardian	105,021,601	5.6%	5.4%	1.80%	103,280,189	5.6%	5.4%	8.42%	95,170,518	5.4%	5.4%	4.95%	15.84%	28.01%	21.32%	6.58%
LSV	105,330,649	5.6%	5.4%	1.34%	103,880,236	5.6%	5.4%	10.85%	93,717,230	5.4%	5.4%	5.93%	19.00%	27.77%	N/A	N/A
Bank of Ireland	33,970,306	1.8%	1.8%	-0.24%	34,082,453	1.8%	1.8%	9.82%	31,041,174	1.8%	1.8%	3.02%	12.86%	22.00%	19.16%	N/A
Total Large Cap - Active	244,322,556	12.9%	12.6%	1.31%	241,242,878	13.0%	12.6%	9.65%	219,928,922	12.6%	12.6%	5.09%	16.74%	27.11%	21.84%	7.14%
MSCI EAFE - 50% Hedged				1.35%				9.06%				4.87%	15.92%	26.72%	22.56%	6.89%
Small Cap - Active																
Lazard	34,965,102	1.8%	1.8%	0.15%	34,897,942	1.9%	1.8%	15.51%	30,211,423	1.7%	1.8%	1.38%	17.28%	25.04%	29.34%	N/A
Wellington	33,614,542	1.8%	1.8%	1.63%	33,055,521	1.8%	1.8%	9.14%	30,242,090	1.7%	1.8%	3.21%	14.49%	23.35%	25.26%	N/A
Total Small Cap - Active	68,579,644	3.6%	3.6%	0.87%	67,953,463	3.7%	3.6%	12.33%	60,453,513	3.5%	3.6%	2.29%	15.90%	24.18%	27.28%	N/A
Citigroup Broad Market Index < \$2BN				1.50%				11.41%				1.55%	14.83%	29.21%	32.38%	N/A
TOTAL INTERNATIONAL EQUITY	348,310,250	18.4%	18.0%	1.14%	344,457,464	18.5%	18.0%	10.36%	312,011,267	17.8%	18.0%	4.36%	16.48%	26.61%	22.77%	8.74%
MSCI EAFE - 50% Hedged				1.35%				9.06%				4.87%	15.92%	26.72%	22.56%	6.89%
EMERGING MARKETS EQUITY																
Core																
JP Morgan	19,011,207	1.0%	0.9%	0.30%	18,942,432	1.0%	0.9%	17.51%	16,093,208	0.9%	0.9%	7.76%	27.01%	N/A	N/A	N/A
PanAgora	15,740,832	0.8%	0.9%	-1.38%	15,955,188	0.9%	0.9%	17.38%	13,577,332	0.8%	0.9%	4.96%	21.50%	N/A	N/A	N/A
WestLB	16,013,606	0.8%	0.0%	-0.97%	16,169,981	0.9%	0.0%	17.37%	13,762,287	0.8%	0.0%	2.94%	19.66%	N/A	N/A	N/A
UBS	28,420,040	1.5%	1.5%	-0.46%	28,531,083	1.5%	1.5%	16.12%	24,520,969	1.4%	1.5%	4.67%	20.99%	N/A	N/A	N/A
Total Core	79,185,685	4.2%	4.1%	-0.54%	79,598,684	4.3%	4.1%	16.75%	67,953,795	3.9%	4.1%	5.09%	22.04%	35.59%	32.44%	18.61%
MSCI Emerging Markets				-1.04%				17.64%				5.01%	22.25%	35.91%	22.39%	12.89%
Small Cap																
DFA	18,731,065	1.0%	1.0%	1.80%	18,385,551	1.0%	1.0%	20.71%	15,197,509	0.9%	1.0%	8.53%	33.37%	N/A	N/A	N/A
MSCI Emerging Markets				-1.04%				17.64%				5.01%	22.25%			
TOTAL EMERGING MARKETS EQUITY	97,916,750	5.2%	5.0%	-0.10%	97,984,235	5.3%	5.0%	17.47%	83,151,303	4.8%	5.0%	5.71%	24.05%	34.40%	32.05%	18.40%
MSCI Emerging Markets				-1.04%				17.64%				5.01%	22.25%	35.91%	34.76%	21.54%
DOMESTIC FIXED INCOME																
Core Bond																
Western Asset	24,411,532	1.3%	1.4%	-0.15%	24,439,241	1.3%	1.5%	1.78%	25,156,072	1.4%	1.5%	4.29%	5.99%	-1.15%	2.65%	5.96%
Lehman Aggregate				-0.04%				1.24%				3.81%	5.05%	-0.81%	2.05%	4.97%
Index																
Bank of ND	44,083,564	2.3%	3.0%	-0.13%	44,150,274	2.4%	3.0%	0.88%	46,610,848	2.7%	3.0%	3.77%	4.54%	-1.37%	1.53%	5.24%
Total Index	44,083,564	2.3%	3.0%	-0.13%	44,150,274	2.4%	3.0%	0.88%	46,610,848	2.7%	3.0%	3.77%	4.54%	-0.69%	2.10%	5.27%
Lehman Gov/Credit				-0.08%				1.04%				3.91%	4.90%	-1.52%	1.60%	5.13%
Convertibles																
TCW (2)	-	0.0%	0.0%	N/A	-	0.0%	0.0%	N/A	21,861,743	1.2%	1.5%	2.85%	N/A	4.54%	6.78%	1.15%
Calamos	25,218,239	1.3%	1.4%	1.15%	22,435,795	1.2%	1.5%	N/A	-	0.0%	0.0%	N/A	N/A	N/A	N/A	N/A
Total Convertibles	25,218,239	1.3%	1.4%	1.15%	22,435,795	1.2%	1.5%	4.93%	21,861,743	1.2%	1.5%	2.85%	9.16%	4.54%	6.78%	1.15%
Merrill Lynch All Convertibles (3)				2.16%				5.01%				2.79%	10.27%	9.37%	8.01%	4.94%

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	January-07				December-06				September-06				Current	Prior Year	3 Years	5 Years
	Market Value	Allocation	Month	Net ROR	Market Value	Allocation	Quarter	Net ROR	Market Value	Allocation	Quarter	Net ROR	Fiscal YTD	FY06	Ended	Ended
		Actual	Policy			Actual	Policy			Actual	Policy				6/30/2006	6/30/2006
															Net	Net
BBB Average Quality																
Wells Capital	24,449,940	1.3%	1.4%	0.11%	24,429,273	1.3%	1.5%	2.07%	25,085,607	1.4%	1.5%	4.58%	6.85%	-2.70%	3.36%	5.51%
Lehman BBB				0.12%				1.49%				4.80%	6.48%	-2.37%	2.39%	6.10%
Private Debt																
Prudential	24,398,280	1.3%	1.4%	0.18%	24,354,942	1.3%	1.5%	1.47%	25,160,894	1.4%	1.5%	3.84%	5.56%	-0.13%	N/A	N/A
Lehman Aggregate				-0.04%				1.24%				3.81%	5.05%	-0.81%	N/A	N/A
Timberland																
TIR - Teredo (4)	17,862,311	0.9%	0.9%	0.06%	17,876,244	1.0%	1.0%	2.22%	17,901,041	1.0%	1.0%	-0.19%	2.09%	-1.44%	7.62%	N/A
TIR - Springbank	46,987,859	2.5%	2.5%	32.22%	36,530,805	2.0%	2.0%	-0.20%	37,499,614	2.1%	2.1%	-0.06%	31.89%	13.53%	N/A	N/A
Total Timberland	64,850,170	3.4%	3.4%	21.66%	54,407,049	2.9%	2.9%	0.59%	55,400,655	3.2%	3.2%	-0.10%	22.25%	9.43%	20.37%	N/A
NCREIF Timberland Index				2.11%				6.46%				0.85%	9.63%	19.69%	13.94%	N/A
TOTAL DOMESTIC FIXED INCOME	207,411,725	11.0%	12.0%	6.19%	194,216,574	10.5%	12.0%	1.58%	199,275,819	11.4%	12.0%	2.67%	10.75%	3.12%	8.91%	8.14%
Lehman Aggregate				-0.04%				1.24%				3.81%	5.05%	-0.81%	2.05%	4.97%
HIGH YIELD BONDS																
Core																
Loomis Sayles	65,204,492	3.4%	3.5%	0.89%	64,609,171	3.5%	3.5%	4.69%	61,711,006	3.5%	3.5%	4.85%	10.74%	4.74%	N/A	N/A
Sutter/Wells Capital	62,075,065	3.3%	3.5%	1.25%	61,547,535	3.3%	3.5%	1.39%	60,745,822	3.5%	3.5%	2.84%	5.57%	4.70%	N/A	N/A
Total Core	127,279,557	6.7%	6.9%	1.06%	126,156,707	6.8%	6.9%	3.05%	122,456,828	7.0%	6.9%	3.84%	8.15%	4.72%	5.70%	3.38%
LB High Yield 2% Issuer Contstrained Index				1.14%				4.11%				3.76%	9.26%	4.38%	N/A	N/A
Mezzanine Debt																
Goldman Sachs	1,536,085	0.1%	0.1%	0.00%	1,536,085	0.1%	0.1%	1.95%	877,251	0.1%	0.1%	-0.04%	1.91%	N/A	N/A	N/A
TOTAL HIGH YIELD BONDS	128,815,641	6.8%	7.0%	1.06%	127,692,791	6.9%	7.0%	3.05%	123,334,079	7.1%	7.0%	3.82%	8.11%	4.72%	8.34%	7.47%
LB High Yield 2% Issuer Contstrained Index				1.14%				4.11%				3.76%	9.26%	4.38%	8.48%	8.60%
INTERNATIONAL FIXED INCOME																
International Sovereign																
UBS Global (Brinson)	41,605,920	2.2%	2.5%	-1.64%	42,288,175	2.3%	2.5%	1.88%	41,207,276	2.4%	2.5%	-0.15%	0.06%	0.13%	5.24%	9.99%
Citigroup Non-US Gov't Bond Index (5)				-1.66%				2.09%				0.89%	1.29%	-0.11%	5.01%	9.58%
International Core																
Brandywine	42,555,320	2.3%	2.5%	-1.36%	43,131,649	2.3%	2.5%	2.84%	42,234,824	2.4%	2.5%	1.93%	3.41%	3.89%	8.39%	N/A
Lehman Global Aggregate (ex-US)				-1.58%				2.57%				1.13%	2.10%	3.83%	5.69%	N/A
TOTAL INTERNATIONAL FIXED INCOME	84,161,240	4.5%	5.0%	-1.50%	85,419,824	4.6%	5.0%	2.37%	83,442,100	4.8%	5.0%	0.89%	1.74%	2.01%	6.82%	10.91%
Citigroup Non-US Gov't Bond Index (5)				-1.66%				2.09%				0.89%	1.29%	0.00%	5.05%	9.60%
REAL ESTATE																
INVESCO																
J.P. Morgan Strategic & Special Funds	88,002,266			2.37%	85,961,907			0.14%	86,942,637			1.55%	4.11%	23.84%	17.33%	12.38%
J.P. Morgan Alternative Property Fund	90,379,261			1.50%	90,192,396			4.17%	87,890,846			4.36%	10.35%	21.05%	17.14%	12.52%
J.P. Morgan Alternative Property Fund	21,214,297			0.61%	21,085,540			0.00%	19,254,475			-2.82%	-2.23%	N/A	N/A	N/A
TOTAL REAL ESTATE	199,595,823	10.6%	9.0%	1.79%	197,239,842	10.6%	9.0%	1.94%	194,087,958	11.1%	9.0%	2.40%	6.25%	22.09%	17.09%	12.36%
NCREIF TOTAL INDEX				1.48%				4.51%				3.51%	9.78%	18.22%	15.63%	12.19%
ALTERNATIVE INVESTMENTS																
Brinson IVCF III	417,114			0.00%	417,114			63.24%	694,580			12.77%	84.09%	26.32%	19.53%	18.00%
Coral Partners V	3,481,307			0.00%	3,550,059			1.68%	4,920,599			-0.31%	1.36%	8.74%	-15.32%	-24.06%
Coral Partners V - Supplemental	428,320			0.00%	432,088			8.05%	446,803			-0.70%	7.29%	10.53%	10.33%	N/A
Coral Partners VI	7,995,168			0.00%	7,366,555			-2.87%	7,558,568			-0.08%	-2.95%	-6.22%	N/A	N/A
Brinson 1998 Partnership Fund	1,060,401			0.00%	1,060,635			2.07%	1,035,674			4.03%	6.18%	16.52%	15.11%	1.97%
Brinson 1999 Partnership Fund	1,923,152			0.00%	1,923,577			4.42%	2,570,238			8.99%	13.81%	14.27%	12.72%	-1.26%
Brinson 2000 Partnership Fund	6,201,593			0.00%	6,202,960			2.97%	6,004,214			4.86%	7.98%	28.22%	17.90%	3.70%
Brinson 2001 Partnership Fund	4,219,119			0.00%	4,220,050			-1.63%	4,275,562			8.12%	6.36%	19.85%	9.95%	3.22%
Brinson 2002 Partnership Fund	2,376,345			0.00%	2,376,869			-6.73%	2,540,003			9.58%	2.20%	32.42%	13.22%	N/A
Brinson 2003 Partnership Fund	704,693			0.00%	704,849			5.60%	665,233			3.05%	8.82%	25.48%	6.77%	N/A
Total Brinson Partnership Funds	16,485,304			0.00%	16,488,940			0.47%	17,090,924			6.74%	7.25%	23.26%	14.60%	N/A
Brinson 1999 Non-US Partnership Fund	882,187			0.00%	882,382			25.02%	965,127			16.69%	45.89%	40.48%	30.98%	18.60%
Brinson 2000 Non-US Partnership Fund	1,708,428			0.00%	1,708,804			0.83%	1,689,133			26.11%	27.15%	35.03%	21.65%	13.01%
Brinson 2001 Non-US Partnership Fund	1,725,292			0.00%	1,725,672			-19.07%	2,125,124			7.27%	-13.19%	27.25%	17.46%	8.96%
Brinson 2002 Non-US Partnership Fund	3,082,733			0.00%	3,083,413			31.26%	2,854,799			17.05%	53.64%	38.11%	22.66%	N/A
Brinson 2003 Non-US Partnership Fund	2,456,765			0.00%	2,457,307			12.56%	1,847,325			21.45%	36.70%	31.08%	8.89%	N/A
Brinson 2004 Non-US Partnership Fund	910,667			0.00%	910,868			7.00%	685,178			-0.77%	6.18%	24.56%	N/A	N/A
Total Brinson Non-US Partnership Fund	10,766,073			0.00%	10,768,447			9.00%	10,166,686			16.59%	27.08%	33.66%	21.76%	N/A
Brinson BVCF IV	10,146,449			0.00%	10,148,687			10.81%	9,128,089			9.17%	20.98%	31.35%	19.07%	0.41%
Adams Street Direct Co-investment Fund	2,162,769			0.00%	1,053,779			-5.02%	1,105,766			N/A	N/A	N/A	N/A	N/A
Matlin Patterson Global Opportunities	7,506,883			0.00%	7,508,539			12.96%	6,625,194			-5.52%	6.72%	-11.68%	26.48%	N/A
Matlin Patterson Global Opportunities II	17,282,714			0.00%	17,286,525			0.27%	12,185,368			0.71%	0.98%	-0.85%	N/A	N/A
InvestAmerica	3,153,577			0.00%	3,154,272			0.00%	3,143,751			30.21%	30.21%	0.00%	-9.20%	N/A
Hearthstone MSII	511,099			0.00%	246,139			0.00%	76,059			0.00%	0.00%	-100.00%	-100.00%	-100.00%
Hearthstone MSIII	2,243,211			0.00%	1,303,612			-1.32%	177,675			38.24%	36.42%	59.61%	N/A	N/A
Quantum Resources	1,594,908			0.00%	1,595,337			N/A	-			N/A	N/A	N/A	N/A	N/A
Quantum Energy Partners	22,776			N/A	-			N/A	-			N/A	N/A	N/A	N/A	N/A
TOTAL ALTERNATIVE INVESTMENTS (6)	84,197,671	4.5%	5.0%	0.00%	81,320,090	4.4%	5.0%	4.16%	73,320,063	4.2%	5.0%	6.22%	10.64%	11.11%	10.45%	-2.11%
CASH EQUIVALENTS																
Northern Trust STIF/STEP	12,806,359	0.7%	1.0%	0.45%	7,867,345	0.4%	1.0%	1.30%	4,094,076	0.2%	1.0%	1.34%	3.12%	4.31%	2.64%	2.41%
90 Day T-Bill				0.41%				1.26%				1.33%	3.02%	4.00%	2.37%	2.25%
TOTAL FUND	1,890,146,904	100.0%	100.0%	1.83%	1,858,132,489	100.0%	100.0%	6.76%	1,749,416,667	100.0%	100.0%	3.42%	12.43%	14.79%	15.79%	7.67%
POLICY TARGET BENCHMARK				0.91%				6.42%				4.16%	11.86%	13.17%	14.32%	6.67%

NOTE: Monthly returns and market values are preliminary and subject to change.

(1) This benchmark was changed to the MSCI EAFE (unhedged) as of December 1, 2004.

(2) TCW was terminated on September 22, 2006. The portfolio was transferred to Calamos on October 5, 2006.

(3) Prior to January 1, 2005, the benchmark was the First Boston Convertible Index.

(4) Prior to June 1, 2006, the Toredos properties were under the management of RMK.

(5) Previously this benchmark was titled Salomon Brothers Non-US Gov't Bond Index.

(6) Because of the variation in fee calculations in Alternative Investments, only net returns will be shown until June of each year when actual costs are known.